

1832
H. C. W. H.

PROSPECTUS
OF A WHOLESALE DRY GOODS
IMPORTING COMPANY.

TO BE LOCATED NEAR THE HEAD OF LAKE ONTARIO.

MOST RESPECTFULLY SUBMITTED TO MERCHANTS AND CAPITAL-
ISTS IN THE WESTERN DISTRICTS OF
UPPER CANADA,

BY THEIR VERY OBEDIENT SERVANTS,

JAMES Durno,

AND

JOHN LAW.

N. B.—This Prospectus is not intended for Newspaper circulation.

HAMILTON:

PRINTED AT THE WESTERN MERCURY OFFICE.

1832.

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1883

PROSPECTUS
FOR THE ESTABLISHMENT OF A WHOLESALE DRY-
GOODS-COMPANY IN UPPER CANADA, WITH AN
EXTENSIVE CAPITAL, DIVIDED INTO SHARES.

With regard to the division of the stock of this Company, such Merchants in the Province as wish to become partners, shall, in the first place, have a preference in obtaining shares; by which means they will become their own importers of Dry Goods, and exporters of produce, in proportion to the extent they may secure.

In the establishment of any Company, those, who are in the least degree conversant with mercantile affairs, are well aware that a free and sufficient capital is absolutely necessary for carrying on business with advantage; but in Upper Canada, where capital is at present of so much value, and can be employed to so much advantage almost in any way, the establishment of an extensive Wholesale Dry Goods Business, located near the Head of Lake Ontario, holds out a prospect of greater remuneration to the capitalist, but more particularly to the merchant, than any other investment which he can make; it being proposed, that such merchants, as may become share-holders, shall be entitled to an extra amount of credit with the company.

It has been universally observed that the Wholesale Dry-Goods business in particular, wherever sufficient capital and good management have been combined, has proved the most lucrative investment in perhaps any country.

It may only therefore be necessary to submit the few following remarks, in order to point out some of the advantages which may be derived from the establishment of such a Company as is now proposed.

And first, it may be remarked, that the Merchants in Upper Canada are occasionally subjected to loss, and frequently to much inconvenience in obtaining their necessary supplies of goods as well as in the disposal of their produce,—this is admitted on all hands. To effect a remedy in this respect, will be one of the principal objects of this company *at all times*, but more particularly at the close of the navigation, by having an extensive Store, comprising every variety of Dry Goods, in order, that the numerous store-keepers in the interior may have it in their power, at different periods during the winter, to obtain their necessary supplies according to their demand.

Altho' it is proposed that the Company shall be confined to the Dry-Goods business, yet, it may afterwards be gradually extended under separate management to the other necessary departments, should such a step be considered advisable.

The advantages, however, which present themselves in the formation of a Dry Goods Company *alone*, and for which there is an ample field, will appear in a still more striking point of view to every man of business when he considers that the *undivided* attention of all the active members of the Company will be devoted to it, *and to it alone*.

For, where a variety of branches of business, (each of which it is well known requires many years of labour and experience to acquire a competent knowledge of,) are carried on under the same management, and intermixed with one another, as is often the case, it is evident, that some of these departments at least, if not the whole, must be conducted under great disadvantages; when compared with a House who devote their whole attention and experience to one particular branch; and, who at the same time possess every possible advantage, as regards *capital*, and an intimate knowledge of all the best markets in England, Scotland, &c., combined, also, with an extended and *reciprocal* interest with merchants here, as well as with a thorough knowledge of the general business of this country: all which advantages this company shall endeavour to possess.

It may also be remarked, that in the purchasing or receiving of produce on account, independent of any other profit on such business, *a clear saving of from ten to twelve per cent* can generally be realized, such being the usual rate of exchange on cash remittances to England, where this Company might consign such produce, and thereby save *at least the difference of exchange on the payment of their imports*, provided that it might not be found equally advantageous to dispose of it here, at home.

In Canada, there are few instances of individuals or companies conducting business upon the principle here proposed to be pursued; many of those who are engaged in trade have not had the advantage of an ~~adequate command~~ of funds, particularly at the commencement of their business, so as to render their exertions so successful as they otherwise would have been, when extensively employed they are necessitated therefore, to have recourse to an artificial capital created, in most instances, by the credit of men similarly circumstanced & requiring reciprocal accommodation:—thus, they are not only exposed to the vicissitudes of their own business, but also to the hazards incident to that of their friends, mutually supported by each other and destitute of real capital to any amount.

When, therefore, misfortune *befalls one*, it affects *all*, for, by the fracture of one link of their credit, the whole chain is often times dissolved.

To such casualties, the company who have a real capital are not subjected; requiring no foreign assistance in money matters, they are under no obligations of rendering any; they enter the market with a confidence, which the command of a ready money capital alone can establish; & at an advantage which the most undoubted merchant buying on *credit*, however short, cannot equal.

It is evident, that, with a capital thus employed, and of the amount contemplated, a business systematically conducted, must prove highly advantageous to those concerned in it, and that it is quite possible to regulate its management, so as to remove and obviate the chief of those hazardous features, which, more or less, must characterize every branch of trade; but in this country at present these features are fewer than in almost any other.

To insure to the operations of this Company *a certainty of success*, all that is necessary is to instil a confidence in the minds of those who might otherwise decline to embark in it; and when a system can be carried into execution, *a system deserving confidence on account of its certainty*, it is to be hoped that few capitalists would hesitate to avail themselves of its advantages.

It is evident, that the least stockholder in this company will realize a profit on his stock in a ratio proportionate to his investment with that of the largest capitalist engaged in a similar business; and, that merchants in the country who may become shareholders, and who may do their business in this line with the company will, on their retailing *their own imported articles*, realize immediately a *double profit* on their capital advanced.

It is therefore hoped, that the following abstract of rules and regulations for the government of the company, may be found calculated to give *permanency* to the concern, and, at the same time, every reasonable *security* to the stockholders.

In conclusion, it may not be presumptuous to say, that the rapid increase of population and rising prosperity of these Western Districts, with the near prospect of their still more rapid increase in a mercantile point of view, fully warrants the establishment of this company, on a scale at once *liberal and extended*.

While we respectfully submit this prospectus for your consideration, we also beg leave to refer you to the following abstract of rules and regulations, which may be adopted if approved of by the Company, upon its organization, they are the result of some reflection and consideration, and are as follows, viz :

ABSTRACT OF RULES, &c.

1st. That the Capital Stock of the Company shall be £25,000 Currency, divided into 500 shares of £50 each.

2nd. That the Company be declared constituted, as soon as two thirds of the stock shall have been subscribed for.

3rd. That £25 per share be paid at the time of signing the contract, or within 14 days after the contract shall be approved of by the Directors, and ready for signature, (which may be done by proxy) and £5 per share in four months thereafter, the balance to be paid up at such periods, and by such instalments as the Directors to be elected according to the following "*Special Articles and Conditions for the Institution of &c.*" shall appoint.

4th. That the sub-committee of said Directors shall meet in the Company's Store at least once a month, for the purpose of inspecting the affairs and books of the Company.

5th. That they shall have the appointment of the principal officers of the Company.

6th. That these shall consist of a Manager, a Buyer, a Salesman, and a Cashier.

7th. That the Manager shall be a person of experience, having a general knowledge of business, particularly of the Wholesale Dry Goods Business, book-keeping and accounts; who shall be required to draw up monthly a general report of the business of the Company; and *who shall only be allowed a small fixed salary with a per centage on the amount of profits realized through his exertions*,—thus giving him a special interest in the business.

8th. The Buyer shall also be required to have a thorough knowledge and experience in his department, as shall every servant of the Company be in theirs.

9th. The Cashier shall be required to find sufficient security for his intromissions.

10th. That Marine Insurance shall be effected upon all goods imported and produce exported, as well as Insurance against fire on the Company's stock.

11th. That an inventory of the Stock shall be taken, and the books balanced yearly: which balance shall be signed and certified by the sub-committee.

12th. That, if at any balance struck, it appears that any part of the Capital Stock shall have been lost, it may be in the power of any one partner to insist that the Company be dissolved; and that in the event of *less*, than 7 1-2 per cent profit having been realized in any one year, it shall be in the power of one third of the partners in value, to dissolve the same.

13th. That the shares of each partner shall be held in security for any deficiency which may arise from his dealings with the Company.

14th. Shares shall be transferable free of expense after the Company shall have been in operation for six months, by letters of transfer in the Company's books,—the said shares having been first offered to the Company, for a period of at least 14 days.

15th. That the Directors shall have a contract prepared for the signatures of the partners within six weeks after their election.

Special Articles and Conditions,

FOR THE INSTITUTION OF THE COMPANY PROPOSED IN THE
FOREGOING PROSPECTUS.

1st. That the Company shall be called, The Upper Canada Wholesale Dry Goods Importing Company.

2d. That it shall be declared in existence, as soon as two thirds or more, of the proposed capital, is subscribed for.

3d. That when such shall be the case, a list of those subscribers shall be transmitted to each, and in three weeks thereafter, a general meeting of the partners shall be held, for the purpose of Directors being elected.

4th. That one Dollar per share, shall be paid at the time of subscribing for shares, and as much at time of signing contract, being for defraying necessary expenses previous to the company's commencing business, and for the current expences of the first year.

5th. That in the election of Directors, and at all general meetings of the company, each partner shall have one vote for every share he may hold and that three weeks previous to said election a list of the names of such as are eligible from the number of their shares, for being Directors shall be forwarded to him which list he shall fill up in his own hand writing, with the names of those persons he may vote for; he shall then seal up and return the same, previous to the day of election, addressed "to the Committee of the U. C. Wholesale Dry Goods Importing Company Hamilton."

6th. That the whole affairs and concerns of the Company shall be committed to the management of Directors, who shall thus be chosen, by a majority of the votes of the partners.

7th. That the number of Directors shall not exceed fourteen, and that nine, be a quorum.

8th. That Partners of the Company eligible as directors shall be required to hold a certain interest therein, and which interest shall be declared to be, according to the following scale:—

Of the the fourteen Directors,

Four shall possess at least Ten shares each.

Four shall possess at least Five shares each.

Six shall possess at least Three shares each, of the Company's stock.

9th. That in all general meetings of the company, and of the Directors in the event of an equality of votes, the chairman for

the time being shall have the casting vote; and, should any of those elected decline or refuse to act, the election shall be declared to have fallen on the person, having the next greatest number of votes, in the *same scale* of votes as the person refusing.

10th. That the Directors shall within three weeks after their election, appoint, Five of their own number, to act, as a sub-committee, three of whom shall be a quorum. And, that in the appointment of said sub-committee the Directors shall have one vote each.

11th. That of the sub-committee three at least, be resident within a reasonable distance of the Company's Ware-house.

12th. That said sub-Committee, shall give instructions for the framing of a contract of copartnery, containing such conditions and provisions as may seem expedient for the good government of the Company, and which shall be submitted to the general board of Directors.

13th. That in the event of any of the Directors of this Company, becoming interested in any company of a similar nature, he shall, in consequence be held as disqualified from being a Director in this Company.

14th. That, in the event of any difference arising as to the construction of the articles and conditions of the said contract when completed, of these fourteen special articles, or in any matter concerning the company whatever, the same shall be settled *only by arbitration*.

The preceding Prospectus, with its views, and conditions, is respectfully submitted to your examination and candour:

James Darnley

John New

HAMILTON, GORE DISTRICT,
January, 17 1832.

Directors in the event of an equality of votes, the chairman for